

MMITTEE ON GOVERNMENT REFORM

TOM DAVIS, CHAIRMAN SUBCOMMITTEE ON THE FEDERAL WORKFORCE AND AGENCY ORGANIZATION CONGRESSMAN JON PORTER, CHAIRMAN



<u>NEWS RELEASE</u>

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Davis, Porter Applaud House Action to Add Federal Employees to Student Loan Repayment Program

Porter Student Loan Forgiveness Amendment Included in House's Higher Education Bill

Washington, D.C – Government Reform Committee Chairman Tom Davis (R-VA) and Federal Workforce Subcommittee Chairman Jon Porter (R-NV), both strong supporters of student loan relief programs for federal workers, are pleased to announce that the higher education bill approved by the House today includes a Porter-offered amendment that adds federal employees and other public sector workers to a federal program that helps people in certain jobs pay off their student loans.

The amendment to H.R. 609, the College Access and Opportunity Act of 2005, adds "public service" employees to a group of professions including teachers, nurses, linguists, and first responders that qualify for student loan repayments through the Department of Education.

H.R. 609 passed the House today by a 221 to 199 vote. It now awaits action in the Senate.

"Many students graduate from college and professional schools with overwhelming debt, which prevents them from pursuing jobs with government agencies or legal services programs," said Porter. "By expanding loan forgiveness, we'll encourage more highly trained young men and women to enter and continue in areas of public service."

Davis said: "As a longtime supporter of student loan relief programs for our valuable federal workforce, I know these programs are effective recruitment and retention tools, helping to keep the federal government competitive with the private and non-profit sectors. We likely will never be able to compete on a dollar-for-dollar basis, but we do have to take steps to make government service a viable option for talented, well-educated people with a strong desire to work in public service."

Specifically, Porter's amendment expands section 428K of the Higher Education Act to provide up to \$5,000 in loan forgiveness for individuals that have completed a baccalaureate or advanced degree and serve for five consecutive years in an area of public service. The amendment defines "qualified public service employer" as "any State, local government, Federal agency...any other office or entity of the legislative branch, and any employer that is exempt from taxation under section 501(c)(3) or section 501(c)(4) of title 26, United States Code."

The amendment applies to a Department of Education program that is separate from student loan repayment programs offered by many federal agencies. Under current law, agencies can repay student loans on behalf of their employees – up to \$10,000 a year with a \$60,000 total cap per employee. But the money for these programs has to come out of agencies' budgets for salaries and expenses. That limits the amount of money available for student loan repayments.

The Department of Education program, on the other hand, has a dedicated pot of money

The Porter amendment was co-authored by Representatives Rick Renzi (R-AZ) and Robert Andrews (D-NJ). Davis worked with Porter to ensure that federal employees would be eligible to qualify for the repayment.

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